GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1688
ANSWERED ON:09.03.2007
ECONOMIC GROWTH
Bhagora Shri Mahavir

Will the Minister of FINANCE be pleased to state:

(a) whether China has overtaken India in economic growth during the last 25 years;

(b) if so, the details thereof;

(c) how India compares with China in terms of various economic indicators;

(d) whether any ambitious programme has been planned/ being to compete with countries like China, Japan in terms of overall economic growth;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (c) Growth of GDP at constant prices for India and China as given in the World Economic Outlook (WEO) database of the International Monetary Fund (IMF) for the period 1980 to 2005 reveals that China`s growth rate was faster than that of India in most years during this period. As a result, the estimate for a key economic indicator, namely, per capita GDP at current prices in the case of China is placed at USD 1709 as compared to USD 705 in the case of India for the year 2005 (in the WEO database). In the case of the Human Development Index (HDI), India`s ranking in 2004 was 126 as compared to China`s 81.

(d) to (f) In the case of China and Japan the growth rate of GDP was projected at 10.0 per cent and 2.7 per cent respectively for 2006 and at 10.0 per cent and 2.1 per cent respectively for 2007 in the World Economic Outlook, September 2006 released by the IMF. In the case of India, Central Statistical Organisation (CSO) has estimated the growth rate of GDP at factor cost at constant prices during the financial year 2005-06 to be 9.0 percent. As regards economic growth in India during the ensuing years, the Approach Paper to the Eleventh Five Year Plan entitled `Towards Faster and More Inclusive Growth` has stated that `The 11th Plan must aim at putting the economy on a sustainable growth trajectory with a growth rate of approximately 10 per cent by the end of the plan period`.